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EXAMINER

GRAHAM, CLEMENT B

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 04/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/037,430

Applicant(s)


SMITH, MARK J.

Examiner

Clement B Graham

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 January 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date Z.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 1-25 are remained and claim 26 has been added.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-10, are rejected under 35 U.S.C. 103(a) as being unpatentable over Roberts et al (Roberts Hereinafter U.S. Patent No. 4, 839, 804) in view of Tyler et al (Tyler Hereinafter U.S. Patent No. 5, 523, 942).

As per claim 1-2, 7, Roberts discloses a computer readable medium having computer executable instructions for performing a method for engineering and managing a financial product, the method comprising:
calculating a first death benefit value, wherein the first ("i. e, interpretive as first") death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy. (Note abstract and column 3 line 65 and column 4 lines 5-15).
Roberts fails to teach wherein the second death benefit component is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage, and adding the second death benefit value to the first death value component to produce the total death benefit value.
However Tyler discloses wherein the second death benefit component is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage, and adding the second death benefit value to the first death value component to produce the total death benefit value. (See column 5 lines 10-15 and column 38 lines 25-35 and column 77 lines 60-65 and column 78 lines 5-25 column 10-16 lines 5-65 and column 2-4 lines 5-65).

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Therefore it would have been to one of ordinary skill in the art at the time the invention was made to modify the teachings of Roberts to include a second death benefit component is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage, and adding the second death benefit value to the first death value component to produce the total death benefit value taught by Tyler in order to create a system to calculate death benefit values, and payment to beneficiary.

As per claim 3-5, Roberts discloses the computer readable medium wherein the method further includes storing the total death benefit value in a storage device, maintaining a database including a balance sheet data structure, wherein an asset side of the balance sheet includes a data set of cash values in the insurance policy, and wherein a liability side of the balance sheet includes the outstanding loan value which equals the second death benefit value; and calculating an asset to liability ratio by comparing the asset side to the liability side, and wherein the asset side of the balance sheet further includes a data set of additional collateral value. (See column 23 lines 35-40 and column 2 lines 20-50 and column 14 lines 30-40).

As per claim 6, Roberts fails to teach wherein the method further includes signaling a triggering event when the asset to liability ratio is below a predetermined ratio. However Tyler discloses signaling a triggering event when the asset to liability ratio is below a predetermined ratio. (See column 2-4 lines 5-65).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Roberts modify to include signaling a triggering event when the asset to liability ratio is below a predetermined ratio taught by Tyler in order to detect when the asset to liability ratio is below a predetermined ratio.

As per claim 8, Roberts fails to teach wherein signaling a triggering event when the status value represents a mortality event further includes: directing an allocation of the of the second death benefit value to a repayment of the outstanding loan value;

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removing the second death benefit value from the liability side of the balance sheet data structure; and directing an allocation of the first death benefit value for payment to the beneficiary of the insurance policy.

However Tyler discloses signaling a triggering event when the status value represents a mortality event further includes, directing an allocation of the of the second death benefit value to a repayment of the outstanding loan value removing the second death benefit value from the liability side of the balance sheet data structure; and directing an allocation of the first death benefit value for payment to the beneficiary of the insurance policy. (See column 2-4 lines 5-65).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that the teaching of Roberts modify to include Tyler could have a signal triggering event when the status value represents a mortality event further includes, directing an allocation of the of the second death benefit value to a repayment of the outstanding loan value. The benefit would have been document a change in status value that represents a morality.

As per claim 9-10, Roberts disclose a computer readable medium having computer executable instructions for performing a method for engineering and managing a financial product, the method comprising:
calculating a first death benefit value, wherein the first death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy. (Note abstract and column 3 line 65 and column 4 lines 5-15).

Roberts fails to teach wherein the second death benefit component is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage, and adding the second death benefit value to the first death value component to produce the total death benefit value.

However Tyler discloses wherein the second death benefit component is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage and adding the second death benefit value to the first death value

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component to produce the total death benefit value. (See column 5 lines 10-15 and column 38 lines 25-35 and column 77 lines 60-65 and column 78 lines 5-25 column 10-16 lines 5-65). It would have been to one of ordinary skill in the art at the time the invention was made to modify the teachings of Roberts to include Tyler in order to create a system to calculate a first death benefit value, wherein the first death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy and wherein a second death benefit component is calculated based on a loan value added to an interest formula value. The benefit would have been to pay benefits to a death a survival.

4. Claims 11-25, are rejected under 35 U.S.C. 103(a) as being unpatentable over Meyer et al (Meyer Hereinafter U.S. Patent No. 4, 839, 804) in view of Tyler et al (Tyler Hereinafter U.S. Patent No. 5, 523, 942).

As per claims 11-12, 16-18, Meyer discloses a computer readable medium having computer executable instructions for performing a method for engineering and managing a financial product, the method comprising:

calculating a first death benefit value, wherein the first death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy. (Note abstract and column 1 lines 15-20 and column 2 lines 20-65 column 3 lines 5-15).

Meyer do not explicitly teach calculating a second death benefit value, wherein the second death benefit value is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage adding the second death benefit value to the first death value component to produce the total death benefit value;

recalculating the second death benefit component based on a number of subsequent loan values, such that the total death benefit value gradually increases as the second death benefit value increases maintaining a database including a balance sheet data structure, wherein an asset side of the balance sheet includes a data set of cash values in the insurance policy, and wherein a liability side of the balance sheet includes the second death benefit value, and calculating an asset to liability ratio by comparing the asset side to the liability side.

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However Tyler discloses calculating a second death benefit value, wherein the second death benefit value is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage adding the second death benefit value to the first death value component to produce the total death benefit value recalculating the second death benefit component based on a number of subsequent loan values, such that the total death benefit value gradually increases as the second death benefit value increases. (See column 5 lines 10-15 and column 38 lines 25-35 and column 77 lines 60-65 and column 78 lines 5-25 column 10-16 lines 5-65 and column 2-4 lines 5-65).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine the teachings of Meyer to include Tyler in order to create a system that can manage financial products. The benefit would have been to compensate the beneficiary of an insurance death benefit value.

As per claim 13, Meyer discloses the computer readable medium of claim 11, wherein the method further includes performing a profit analysis, wherein performing the profit analysis includes:

calculating a lending profit, wherein calculating a lending profit includes: calculating a loan value cost; and subtracting the loan value cost from the interest formula value; and calculating an insurance policy profit; wherein calculating an insurance policy profit includes:

calculating a cost for issuing and maintaining the insurance, policy subtracting the cost for issuing and maintaining the insurance policy from a forecasted return value, and performing a comparison analysis between the lending profit and the insurance policy profit. (See column 10 lines 30-65 and column 11 lines 5-65 and column 13-14 lines 5-50).

As per claim 14, Meyer do not explicitly teach wherein the method further includes signaling a triggering event when the asset to liability ratio is below a predetermined ratio. However Tyler discloses signaling a triggering event when the asset to liability ratio is below a predetermined ratio. (See column 2-4 lines 5-65).

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It would have been obvious to one of ordinary skill in the art at the time the invention was made that the teaching of Meyer modify the include could have perform the functions of detecting when the asset to liability ratio is below a predetermined ratio. The benefit would have been to determine changes in assets values.

As per claim 15. Meyer do not explicitly teach the computer readable medium of claim 14, wherein signaling a triggering event when the asset to liability ratio is below a predetermined ratio includes:

directing an allocation of the cash values in the insurance policy to a repayment of the outstanding loan value;

removing the data set of cash values from the asset side of the balance sheet data structure; and removing the second death benefit value from the liability side of the balance sheet data structure. However Tyler discloses wherein signaling a triggering event when the asset to liability ratio is below a predetermined ratio includes, directing an allocation of the cash values in the insurance policy to a repayment of the outstanding loan value, removing the data set of cash values from the asset side of the balance sheet data structure; and removing the second death benefit value from the liability side of the balance sheet data structure. (See column 2-4 lines 5-65).

It would have been obvious to one of ordinary skill in the art at the time the invention was made that the teaching of Meyer modify to include Tyler could have a signal triggering event when the asset to liability ratio is below a predetermined ratio. The benefit would have been document a changes in the liability ratio is below a predetermined ratio.

As per claim 19. Meyer discloses teach wherein the method further includes:

tracking a number of disbursements from the pool of cash assets; tracking a future obligation of the finance company;

allocating a number of disbursements from the pool of assets to a number of investors, wherein the number of investors are arranged in a database, and the number of investors in the database are structured according to a number of sequential, durationally termed tranches, and allocating a return on investment from the number of

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guaranteed investment contracts to the future obligation of the finance company. (See column 13-14 lines 5-50).

As per claim 20, Meyer discloses a computer readable medium having computer executable instructions for performing a method for engineering and managing a financial product, the method comprising:

calculating a first death benefit value, wherein the first death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy

calculating a second death benefit value. (Note abstract and column 1 lines 15-20 and column 2 lines 20-65 and column 3 lines 5-15). Meyer also discloses maintaining a database having a data structure representing a number of second death benefit values owned by a number of clients, wherein number of second death benefit values comprise a pool of cash assets, maintaining a database having a data structure representing a number of guaranteed investment contracts values which are used to fund a future obligation of a finance company, or a successor of the finance company; and

maintaining a database having a data structure representing an indenture agreement which governs a right to receive future cash in-flows from the pool of cash assets. (See column 13 lines 30-40). Meyer do not explicitly teach wherein the second death benefit value is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage, adding the second death benefit value to the first death value component to produce the total death benefit value, recalculating the second death benefit component based on a number of subsequent loan values, such that the total death benefit value gradually increases as the second death benefit value increases.

However Tyler discloses wherein the second death benefit value is calculated based on a loan value added to an interest formula value, wherein the interest formula value includes an outstanding loan value multiplied by a selected interest rate percentage, adding the second death benefit value to the first death value component to produce the total death benefit value, recalculating the second death benefit component based on a number of subsequent loan values, such that the total death benefit value gradually increases as the second death benefit value increases. See column 5 lines 10-15 and

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column 38 lines 25-35 and column 77 lines 60-65 and column 78 lines 5-25 column 10-16 lines 5-65). It would have been to one of ordinary skill in the art at the time the invention was made to modify the teachings of Meyer to include Tyler in order to create a system to manage financial products and calculate a death benefit values, wherein the first death benefit value includes a selected death benefit value for payment to a beneficiary. The benefit would have been to pay benefits to a death a survivor.

As per claim 21. Meyer and Tyler do not explicitly teach the computer readable medium of claim 20, wherein the method further includes modeling a number of assets underpinning an asset backed securities transaction, wherein modeling the number of assets underpinning the asset backed security transaction includes:

performing a number of actuarial analyses for a number of components of the product; performing a guaranteed investment modeling analysis; and performing a financial model analysis, wherein performing a financial modeling analysis includes accounting for an expected yield over a number of sequential, durationally termed tranches.

However modeling a number of assets using these functions is old and well known in the art.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that these functions are common in the art and the teachings of Meyer modify to include Tyler could have perform these functions.

The benefit would have been to model a number of assets.

As per claim 22. Meyer and Tyler does not explicitly teach the computer readable medium of claim 21, wherein financial model analysis includes:

calculating a loan value cost, wherein calculating the loan value cost includes:

calculating a cost to sell the number of assets underpinning the ;asset backed security transaction; calculating a cost to fund the future obligation of a finance company, or a successor of the finance company; and calculating a cost for paying the expected yield over the number of sequential durationally termed tranches, wherein the expected yield is determined by the terms of the indenture agreement which governs the right to receive future cash in-flows from the pool of cash assets subtracting the loan value cost from the interest formula value. However performing financial model analysis and,

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calculating a loan value cost wherein calculating the loan value cost is old and well known in the art. Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made that these functions are common in the art and the teachings of Meyer modify to include Tyler could have perform these functions. The benefit would have been to perform financial model analysis includes, which includes calculating a loan value cost, wherein calculating the loan value cost.

As per claim 23. Meyer do not explicitly teach the computer readable medium of claim 20, wherein the method further includes:

maintaining a database including a balance sheet data structure, wherein an asset side of the balance sheet includes a data set of cash values in the insurance policy, and wherein a liability side of the balance sheet includes the second death benefit value, calculating an asset to liability ratio by comparing the asset side to the liability side, maintaining a database having a status value for the insurance policy; and signaling a triggering event when either the status value represents a mortality event or when the asset to liability ratio is below a predetermined ratio. However Tyler discloses maintaining a database including a balance sheet data structure, wherein an asset side of the balance sheet includes a data set of cash values in the insurance policy, and wherein a liability side of the balance sheet includes the second death benefit value, calculating an asset to liability ratio by comparing the asset side to the liability side, maintaining a database having a status value for the insurance policy; and signaling a triggering event when either the status value represents a mortality event or when the asset to liability ratio is below a predetermined ratio. (See column 2-4 lines 5-65).

It would have been obvious to one of ordinary skill in the art at the time the invention was made that the teachings of Meyer combined to include Tyler could have adapted in order to perform these functions. The benefit would have been to determine changes in assets values.

As per claim 24, Meyer do not explicitly teach the computer readable medium of claim 23, wherein the method further includes directing an allocation of funds equal to the second death benefit value at the mortality event, or equal to a value of the asset side of the balance sheet data structure when the asset to liability ratio is below the

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predetermined ratio, for payment of the outstanding loan value, and clearing the balance sheet data structure to complete managing the financial product. However Tyler discloses includes directing an allocation of funds equal to the second death benefit value at the mortality event, or equal to a value of the asset side of the balance sheet data structure when the asset to liability ratio is below the predetermined ratio, for payment of the outstanding loan value, and clearing the balance sheet data structure to complete managing the financial product. (See column 2-4 lines 5-65).

It would have been obvious to one of ordinary skill in the art at the time the invention was made that the teaching of Meyer modify to include Tyler could have perform the functions of directing allocation of funds equal to the second death benefit value at the mortality event, or equal to a value of the asset side of the balance sheet data structure when the asset to liability ratio is below the predetermined ratio. The benefit would have been to allocate funds that match after comparing the asset side of the balance sheet data structure when the asset to liability ratio is below the predetermined ratio.

As per claim 25, Meyer discloses the computer readable medium of claim 20, wherein the method includes maintaining a database structure which tracks a number of terms of a finance agreement, and wherein the method includes: tracking a number of future obligations according to the number of terms of the finance agreement, wherein the number of future obligations of the finance agreement include a payment of the loan value and subsequent loan values which are used for payment of premiums in the life insurance policy; and tracking a value of the interest rate formula.(See column 13-14 lines 5-50).

5. Claim 26, are rejected under 35 U.S.C. 103(a) as being unpatentable over Roberts et al(Roberts Hereinafter U.S. Patent No. 4, 839, 804) in view of Burgess U.S. Patent No. 5, 966, 693).

As per claim 26, Roberts discloses a computer readable medium having computer executable instructions for performing a method for engineering and managing a financial product, the method comprising:

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calculating a first death benefit value, wherein the first ("i. e, interpretive as first") death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy.(Note abstract and column 3 line 65 and column 4 lines 5-15).

Roberts fails to teach wherein the second death benefit component is calculated based on a loan to finance a payment of premiums due on the insurance policy, and adding the second death benefit value to the first death value component to produce the total death benefit value.

However Burgess discloses the plan of the invention generally involves a computerized method for integrating an employer/employee agreement together with loan and life insurance policy agreements, and calculating and coordinating the values of certain monetary transfers set into the agreements, in order to generate a financial plan that optimally exploits the appreciation and favorable tax treatment of life insurance policies, and the availability of capital from secured loans. A set of agreements on coordinated terms among several parties are determined from parameters of available insurance and loan agreements.

Factors defining the employee are applied to the parameters of the two agreements, to enable a transfer of value in general from an employer to an employee, while minimizing the tax consequences of the plan to the employer and employee. The result is a transfer that is up to 98% tax deductible as to contributions of the employer, and up to 50% tax deductible as to contributions of the employee and a plan that leverages the life insurance policy by providing for borrowed money to pay insurance premiums, via a loan agreement secured by the insurance policy. (See column 6 line 5-65 and column 7 lines 5-20) and the terms of the insurance agreement and of the loan agreement form a set of constants stored in computer memory, defining insurance policies and loans over ranges of death benefits, cash values, loan principals and terms of years, and in which the policy cash value range and the loan principal range overlap. (see column 11 lines 30-45).

Therefore it would have been to one of ordinary skill in the art at the time the invention was made to modify the teachings of Roberts to include second death benefit component is calculated based on a loan to finance a payment of premiums due on the

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insurance policy, and adding the second death benefit value to the first death value component to produce the total death benefit value taught by Burgess in order to create a system to calculate total death benefit values, and payment to beneficiary.

Conclusion

Response to Arguments

6. Applicant's arguments files on 01/26/04 have been fully considered but they are not persuasive for the following reasons.

7. In response to applicant's arguments regarding Roberts, Tyler and Meyer.

In response Applicant's, arguments that neither Roberts and Tyler references teach or suggest "calculating two separate and distinguishable death benefits based on the first death benefit value and a second death benefit value based on a loan to finance policy premiums" these limitations are addressed in in a combinations of teachings, Roberts discloses calculating a first death benefit value, wherein the first ("i.e., interpretive as first") death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy. Note abstract and column 3 line 65 and column 4 lines 5-15 and Tyler discloses the present invention comprises a calculation engine and the calculation engine is designed to perform all required calculation related to insurance products, these calculation include determining the cash value of a policy, calculating a death benefit on an annual basis, calculating the premium due, calculating the net premium due determining a guaranteed cash value of all individual coverage's. See column 5 lines 10-15 and varying loan interest rate. See column 15 lines 15-25.

Further Applicant's claims states, calculating a second death benefit value based on a loan value and "based on the an initial loan" was not claimed.

The examiner submit it is clear that the teachings of Roberts and Tyler combined, would be able to perform the functions of calculating a first death benefit value with a beneficiary award and a calculating a second death benefit value based on a loan value.

In response claim 1, Applicant's continued arguments that neither Roberts and Tyler references teach or suggest "calculating two separate and distinguishable death benefits based on the first death benefit value and a second death benefit value based

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on a an initial loan to finance policy premiums” these limitations are addressed in a combinations of teachings, Roberts discloses calculating a first death benefit value, wherein the first (“i. e, interpretive as first”) death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy. Note abstract and column 3 line 65 and column 4 lines 5-15 and Tyler discloses the present invention comprises a calculation engine and the calculation engine is designed to perform all required calculation related to insurance products, these calculation include determining the cash value of a policy, calculating a death benefit on an annual basis, calculating the premium due, calculating the net premium due determining a guaranteed cash value of all individual coverage’s. See column 5 lines 10-15 and varying loan interest rate. See column 15 lines 15-25.

Further Applicant’s claims states calculating a second death benefit value based on a loan value and “based on the an initial loan” was not claimed.

The examiner submit it is clear that the teachings of Roberts and Tyler combined, would be able to perform the functions of calculating a first death benefit value with a beneficiary award and a calculating a second death benefit value based on a loan value.

In response claim 11 and 20, Applicant’s continued arguments that neither Meyer and Tyler references teach or suggest “ calculating two separate and distinguishable death benefits based on the first death benefit value and a second death benefit value based on a an initial loan to finance policy premiums” these limitations are addressed in a combinations of teachings, where Meyer discloses, calculating a first death benefit value, wherein the first death benefit value includes a selected death benefit value for payment to a beneficiary of an insurance policy. Note abstract and column 1 lines 15-20 and column 2 lines 20-65 column 3 lines 5-15, and a second death benefit value based on a an initial loan to finance policy premiums (See column 5 lines 10-15 and column 38 lines 25-35 and column 77 lines 60-65 and column 78 lines 5-25 column 10-16 lines 5-65 and column 2-4 lines 5-65).

Further Applicant’s claims states, calculating a second death benefit value based on a loan value and “based on the an initial loan” was not claimed.

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The examiner submit it is clear that the teachings of Meyer and Tyler combined, would be able to perform the functions of calculating a first death benefit value with a beneficiary award and a calculating a second death benefit value based on a loan value.

It would have been is obvious that the teachings of Roberts and Tyler combined, would have been able to perform the functions of calculating a first death benefit value with a beneficiary award and a calculating a second death benefit value based on a loan value.

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies ("An initial loan to finance policy premiums") are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

9. In response to applicant arguments against the references individually, one cannot show nonobviousness by attacking the reference individually where the rejections are based on a combination of references. See *In Keller*, 642 F.2d, 208 USPQ 871 (CCPA 1981); *In re Merk & Co.*, 800 F.2d 1091, 231 USPTQ 375 (Fed. Cir. 1986).

8. Applicant also maintains that Roberts, Tyle and Meyer cannot be combined, the Examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re*

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Fine, 837 F.2d 1071, 5USPQ2d 1596 (Fed. Cir. 1988); In re Jones, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also In re Eli Lilli & Co., 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); In re Nilssen, 851 F.2d 1401, 7USPQ2d 1500 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); Ex parte Clapp, 227 USPQ 972 (Bd. Pat. App. & Inter); and Es parte Levengood, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning).

Also in reference to Ex parte Levengood, 28 USPQ2d, 1301, the court stated that "Obviousness is a legal conclusion, the determination of which is a question of patent law. Motivation for combining the teachings of the various references need not to explicitly found in the reference themselves, In re Keller, 642 F.2d 413, 208USPQ 871 (CCPA 1981). Indeed, the Examiner may provide an explanation based on logic and sound scientific reasoning that will support a holding of obviousness. In re Soli, 317 F.2d 941 137 USPQ 797 (CCPA 1963)."

9. THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers

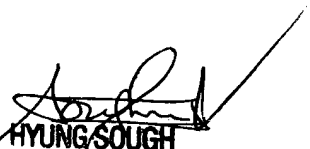
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for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

April 11, 2004



HYUNG SOUH
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600